

April 15, 2021

Next Meeting: May 11, 2021 6:00 PM (prior to Regular Twp. Board Meeting)

Special Meeting : Tuscarora Township Sewer Sub-Committee

Call to Order : 1:15 PM at the Tuscarora Township Hall

Roll Call of Members : Bob Kramer, Mike Ridley, Janet Vance

all present

Agenda :

- Nomination of Committee Chair and Secretary
- Ground Rules of the Committee
- Residential Sewer Update (possible new district)
- Sewer District-1 REU Leasing
- Schedule next meeting

Nominations were made by Mike Ridley for Bob Kramer to be Committee Chairman and Janet Vance to be Secretary. Positions accepted and vote was unanimous.

Ground rules :

A draft declaration of Committee Intent was proposed, and after some minor amendments, it was approved. Final statement:

*"Please be known that...*

*This advisory committee, known as the "Sewer Sub-Committee", was established by the Tuscarora Township Board of Trustees, with the sole intent of collecting information and making recommendations to the Township Board as a whole, concerning issues related to the present waste water system, known as "Sewer District-1", and the possible expansion of the system to include and accommodate additional districts.*

*Even though we have a quorum of the Board of Trustees, it is not the intent of this committee to make policy or to make any final decisions, nor do we have the authority to do so. We will adhere to all Open Meetings Act rules and laws, including encouraging public participation. We will publish committee meeting minutes on the Township Web site upon approval.*

*The above declaration is in accordance with the advice from the Michigan Township Association."*

It was agreed that this declaration will be a permanent post on the web site. A summary draft of the minutes will also be posted as soon as possible, and the approved version of the minutes will be posted after Committee approval.

Bob, along with the rest of the Committee members, reiterated their 100% commitment to transparency of the process to all members of the public. He explained the sewer expansion is a citizen driven project, and after the information is gathered and the costs determined, petitions will be sent out to every property owner, allowing each owner to vote Yea or Nay. That is how the final determination of the project will be made... the citizens of the proposed district will decide, NOT the Committee or the Board.

### USDA Point System:

The USDA has a point system they use to grade communities when looking for the available grants and loans. It is on a scale of 1-100, with a score of 90 or higher required to receive the grants. It would be extremely difficult to proceed with a project of this size without grants, because it would be unaffordable for many home owners. As explained in the USDA Rule Utility Handbook, a policy on how to treat communities that have a 51% or higher non-compliance rate with their septic systems, and a letter from the local Health Department verifying the higher percentage would in fact be a large contributing factor in the scale. (26 points out of the 100). Some of the issues they examine are lot size, capability of a new system, and whether the lot or system would meet current standards. Bob will invite a representative from Health Department District 4 and from the Tip of the Mitt Watershed Council to explain how they would actually establish the percentage and rate the district.

The USDA grant application is almost ready to be sent in, including all financial report requirements. The application is needing the Environmental Report and the uploading of the resolution. These 2 items are expected soon.

The USDA representative suggested grant funding would be more accessible if the proposed district was divided into 2 separate districts. The North District would be North of Mack Avenue, including across the river and Columbus Beach area. The South District would be Mack Avenue South to the Sturgeon River, including Sturgeon Island. The grant applications would be submitted 30 days apart.

### Cost Projections:

It was explained this is early in the process, but some cost estimates can be ROUGHLY projected.

#### *NORTH DISTRICT*

*Cost Est. \$6.5 M*

*Number of connections = 230*

*Cost per Connection = \$28,200*

*With Max. Grant Money = \$15,510*

*Monthly Debt per User = \$84.20*

*With Max. Grant Money = \$44.92*

*Monthly O&M per User = \$35*

*Debt + O&M are Billed quarterly*

#### *SOUTH DISTRICT*

*Cost Est. \$5.2 M*

*Number of connections = 190*

*Cost per connection = \$27,400*

*With Max. Grant Money = \$15,070*

*Monthly Debt per User = \$81.35*

*With Max. Grant Money = \$43.68*

*Monthly O&M per User = \$35*

*Engineer's estimates may be slightly higher*

Any assessments (debt) may be paid in full or the property owner may apply for a loan with a lending institution of their choice, or through the USDA loan/bond. USDA is currently charging interest at or about 1.75%. The bond would add a 1% admin fee. If the assessment is paid in full, the user would only be responsible for O&M charges.

The Committee is currently requesting an earmark from Rep. Bergman's office, through the EPA, that would fund up to 80% of the project. This is a long shot, but worth pursuing.

The State of Michigan is considering adding grants to the budget allocated for infrastructure projects such as this, so additional funding through the State may also become available. EGLE has told us that the Governor's budget submission to the legislature will include wastewater grants.

FYI's Discussed:

- All properties within the sewer district MUST hook into the system, and their current septic system crushed or removed.
- Contractor fees for hookups and current system removal are the responsibility of the property owner and will not be covered with the assessment loan, funding grants, or monthly O&M.
- Low income grants are available for those who qualify.
- If property owners have additional lots in the district that are contiguous (adjoining), you may want to consider combining them into 1 lot to save additional assessment costs. The lots must be touching in some way, or must be across the street from each other to qualify. There is no cost to combine them. Call the Assessor for more information. We will be sending out information on this option at a later date.

IMPORTANT: This Sewer Project is not a "done deal". Ultimately the property owners will decide the fate of this project. Our mission is to get you the best information we can, including the best funding options available so you, the public, can make an educated decision.

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#### SEWER DISTRICT-1: REU LEASING POSSIBILITIES

Bob Kramer's Executive Summary:

*"The purpose of this initiative is to maximize the efficiency of the current sanitary sewer system, keep costs as low as possible for customers and to encourage and expand economic and business activity for the benefit of residents in Tuscarora Township. Some customers who could lease their commercial property to a new business or entity will not take the financial risk to add REU's, only to be stuck with the financial burden if that business or entity fails or dissolves. Judicious leasing of a small number of REU's could generate additional economic and business activity within the commercial sanitary sewer system district and also generate additional revenue to the system which would benefit all customers. CONCEPT: Property owners may lease REU's needed for new activity for a limited period of time. Only a very small number of REU's should be available for lease."*

The sewer plant maximum capacity is 500 REUs. It is currently operating at about 425 REUs. Discussion included number of REUs to make available, how long the leases would be made available, and costs of what a yearly lease agreement per REU at a premium rate would be.

More discussion is necessary to evaluate the need and likelihood REU leasing would even be possible.

Respectfully submitted,  
Janet Vance  
Sewer Sub-Committee Secretary

DRAFT